

HANSABANK
30.04.03

HANSABANKAS' FINANCIAL RESULTS, Q1 2003

Hansabank's Lithuanian subsidiary Hansabankas' net profit was EUR 5.4 million for the first quarter of 2003. The bank's assets decreased by 1% to EUR 1.22 billion during the quarter. Annual growth of assets was 8%.

Hansabankas clients' deposits increased by 3% during the quarter, totalling EUR 1.06 billion at the end of March. Annual growth of deposits was 7%. The growth was negatively influenced by lower deposit rates as well as the decrease in the USD/EUR exchange rate. The bank's loan portfolio increased by 6% during the quarter (annual growth 32%) to EUR 0.49 billion. The ratio of net loans to assets increased from 32% at the end Q1 2002 to 39% at the end of Q1 2003 and the loans-to-deposits ratio improved from 37% to 46%. The bank's asset quality continues to be on a very high level. The amount of loans overdue totalled EUR 36.2 million at the end of March. Non-performing loans (overdue more than 60 days) totalled EUR 0.5 million, or just 0.1% of the portfolio. Allowance for credit losses totalled EUR 7.8 million at the end of March, forming 1.63% of the loan portfolio.

Hansabankas' revenues amounted to EUR 16.0 million in Q1 2003, of which 55% was formed by net interest income and 29% net fee income. Annual revenue growth was 10%. At the same time the bank's operating expenses decreased by 20% yoy taking the total sum to EUR 11.9 million in Q1 2003.

In addition to Hansabankas' operating expenses, the Group's accounts include the amortisation of goodwill, created from the purchase of LTB, worth EUR 1.2 million per quarter.

1 EUR = 3.4528 LTL

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Balance Sheet

(in millions of euros, unaudited)

	31.03.03	31.12.02	30.09.02	30.06.02	31.03.02
Assets					
Cash	46.9	52.7	42.5	43.3	47.4
Due from Central Bank	100.3	66.4	47.5	58.5	84.2
Due from other financial institutions	76.1	93.2	108.2	83.5	114.0
Treasury securities	176.4	212.1	256.1	199.8	165.1
Trading securities	76.4	70.9	47.3	32.1	8.7
Investment securities	174.1	200.7	199.9	266.2	283.9
Securities purchased under resale agreements	33.9	0.2	0.1	0.0	0.1
Loans	485.5	456.0	398.6	357.1	367.9
- Allowances for credit losses	-7.8	-7.5	-7.6	-8.4	-11.1
Net loans	477.7	448.5	391.0	348.7	356.8
Tangible assets	42.5	45.2	47.5	49.1	50.5
Intangible assets	0.8	0.8	0.8	0.8	0.8
Prepayments and accrued interest	11.7	11.6	13.8	14.1	14.0
Other assets	5.5	37.7	10.8	6.3	6.8
Total assets	1,222.6	1,240.0	1,165.5	1,102.4	1,132.3
Liabilities					
Due to Central Bank and government	0.8	0.0	0.6	0.3	0.3
Due to other financial institutions	12.8	28.7	12.5	19.3	10.9
Deposits	1,060.6	1,029.6	1,011.7	965.7	989.7
- Demand deposits	644.2	620.6	581.9	533.6	520.6
- Time deposits	416.4	409.0	429.8	432.1	469.1
Securities sold under repurchase agreements	0.0	0.5	0.0	0.0	0.0
Accrued liabilities	9.5	8.1	10.4	11.7	12.7
Other liabilities	35.4	74.9	36.1	15.0	32.7
Total liabilities	1,119.0	1,141.8	1,071.3	1,012.0	1,046.3
Shareholders' equity					
Share capital	107.3	107.3	107.3	107.2	107.2
Share premium	2.2	2.2	2.2	2.2	2.2
Reserves	9.4	9.4	9.4	9.4	9.4
Other reserves	0.0	0.0	0.0	0.0	0.0
Retained earnings	-15.3	-20.7	-24.7	-28.4	-32.8
Total shareholders' equity	103.6	98.2	94.2	90.4	86.0
Total liabilities and shareholders' equity	1,222.6	1,240.0	1,165.5	1,102.4	1,132.3

Income Statement					
(in millions of euros, unaudited)					
	Q1 03	Q4 02	Q3 02	Q2 02	Q1 02
Interest income	12.6	12.9	12.7	13.8	14.0
Interest expense	-3.9	-4.3	-4.6	-5.3	-6.0
Interest income, net	8.7	8.6	8.1	8.5	8.0
Fee and commission income	6.0	6.0	5.1	4.9	5.0
Fee and commission expense	-1.4	-1.5	-1.6	-2.1	-2.0
Fees and commissions, net	4.6	4.5	3.5	2.8	3.0
Net result from financial operations	2.4	1.3	1.1	2.0	2.0
Other operating income	0.3	0.1	0.8	0.6	1.5
Total income	16.0	14.5	13.5	13.9	14.5
Personnel expenses	5.8	5.5	5.7	7.4	9.2
Data network expenses	1.2	1.2	1.2	1.1	0.8
Administrative expenses	2.4	2.6	2.1	2.1	2.2
Other expenses	0.8	1.2	0.8	1.7	1.3
Depreciation	1.7	1.0	1.8	1.8	1.5
Total operating expenses	11.9	11.5	11.6	14.1	15.0
Operating profit before provisions	4.1	3.0	1.9	-0.2	-0.5
Losses on loans and guarantees	-0.7	0.6	-0.1	-1.6	-0.2
Recovered loans	2.0	1.2	1.9	2.8	2.8
Profit from associates under equity method	0.0	0.3	0.0	0.0	0.0
Operating profit	5.4	3.9	3.9	4.2	2.5
Extraordinary income	0.0	0.1	-0.1	0.1	0.0
Net profit	5.4	4.0	3.8	4.3	2.5